



TREASURY DEPARTMENT

BUREAU OF NARCOTICS
EL PASO, TEXAS.
HOUSTON, TEXAS

OFFICE OF DISTRICT SUPERVISOR
DISTRICT NO. 10
MISSISSIPPI, LOUISIANA, AND TEXAS

1946 NOV 18

New Orleans, La.
November 15, 1946.

BUREAU OF
NARCOTICS

Mr. H.J. Anslinger,
Commissioner of Narcotics,
Washington, D.C.

Dear Sir:

1. With reference to your letter of October 21, 1946, regarding current conditions in Mexico with respect to the illicit narcotic traffic, there is submitted herewith a summarized report regarding the matter.

2. According to all reports received in this office, and by the United States Customs Service, a severe drought curtailed the opium crop to a great extent this year. That is the only reason conditions are not worse than they are with respect to the illicit traffic in opium and other drugs from Mexico into the United States. As it is, while opium and heroin are both more scarce than last year, they can be obtained by paying higher prices, providing the buyer is dealing with the larger type of smuggler in Mexico. Marihuana, of course, can be had in any quantity desired and at a price of about twenty dollars per pound, delivered in the United States. At this point I wish to quote a report rendered this office by an undercover operator relative to his personal observations of conditions in Mexico. This report is dated October 28, 1946.

"A casual observation of the narcotic situation in Mexico reveals that many Chinese in that country are involved in its production and distribution. Many Chinese of authority and substance gain their means from this illicit traffic.

In a recent Kuomintang Convention in Mexico City a wide solicitation of funds for the future operation of the opium trade was noted. It is assumed that the Chinese are trying to recapture some of the trade lost to the Mexicans during this year. Although, actually no money has been collected their plan calls for readying a number of Chinese with wealth to be always on hand with their finances when the time comes for the transaction.

The nucleus of this combine have in mind a new plan that will

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gather greater wealth for those members of the combine formed in Mexico City. In the past the people who handled the opium from the growers merely doubled their money but with better planning and more people to carry out the business it is anticipated that they will try to control the opium until it is being sold to the dealers in the United States.

Such a plan has already been tested in Matamoros, Mexico. It is said that Matamoros is a logical site because transportation on either side of the border is convenient and the Mexican Federal Enforcement Agencies are loosely attached there, and also that Brownsville, Texas, has airline facilities which can expedite their trade.

In Juarez, Mexico, a well known dealer in Opium and Morphine recently returned from a trip to Guadalajara, Los Mochis, and Mexico City and indicated that the prices were too high to deal with. However, with the coming crop that may start as early as December the situation seems very hopeful.

As a result of the chaotic condition of the Chinese opium dealers this year the Mexicans have been able to wrangle much of this trade from the former operators. It is said that in the province of Sinaloa, Mexicans of high political standing are hoarding opium this year. They have made some attempt to smuggle the narcotics to the United States by plane. Such a rumor has already reached the ordinary Chinese in Juarez. However, it is thought generally that the Mexicans cannot operate successfully with the Chinese in the United States.

In the Mexican City of Guadalajara most of the Chinese engaged in the opium rackets are also operators of many of the hotels in that city. In Los Mochis these racketeers are generally farmers of great wealth. It is thought that raw opium is prepared and possibly a morphine laboratory may be located on these farms. Recently there have been many Chinese from Casa Grande in Juarez and it may be that some of these persons are bringing in opium from there. However, it is not known that there are large dealers there."

3. From the above, it will be noted that Chinese in Mexico are still very active in the illicit opium traffic but have lost some ground recent to Mexican Nationals who have been attempting to corner the market, so to speak.

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Both the Customs Service and this office, as well as our undercover agent, have received repeated reports regarding the cornering of the opium supply in Sinaloa by high politicians. An investigation by Federal officials of Mexico should readily establish this fact, since it is general knowledge on this side of the border. Opium prices have gone up considerably the last year, due to the fact that the present supply appears to be in the hands of a few who are able to effectively control the market price. One of the most notorious of the bands of smugglers and dealers in Mexico operates in Nuevo Laredo, Mexico. I refer to the Trevino Brothers and their henchmen. They are known all along the border to officials, as well as to drug smugglers and peddlers. It is a known fact that nearly anyone can go to Nuevo Laredo and, if he had the money and is not known as an officer, can purchase any amount of heroin or marihuana from this gang.

4. Recently, in an attempt to ascertain the modus operandi of the Trevino brothers, an undercover narcotic agent was sent across the line and met one of the brothers. By paying down \$200.00, an agreement was reached whereby a large quantity of marihuana was delivered on the American side of the border. The runner was arrested with the marihuana but, of course, the principal (Trevino) did not make the delivery and consequently continues to operate openly. If the Trevinos operated in the United States in the manner in which they operate in Mexico, I would venture to say it would not take twenty-four hours to develop a case against them. This information regarding the Trevinos is not rumor, nor is it hearsay. We have had our agents personally talk to and deal with them in attempts to get them into the United States where successful prosecution could be had. As long as they are allowed to operate as openly as they do, a continual stream of heroin and marihuana will continue to flow into the United States from Mexico.

5. The names of a number of smugglers in Mexico will be given later in this report. However, I would like to single out one additional person for special mention. This man is Jose Armendariz of Juarez, Mexico. Jose is the operator of two or three taxicabs in Juarez, and is well known to the Mexican officials. He is probably the largest dealer in marihuana in this area, and also sells heroin in smaller quantities. Recently, while working on a case (SE-223) in this country and in an attempt to locate the source of supply one of our undercover agents proceeded to Juarez and introduced himself to Armendariz as an American dealer. Our man had no trouble in buying ten pounds of marihuana from Armendariz, and it was delivered on the American side by a "small-fry runner" for Armendariz. Armendariz informed our agent that he had 500 kilos of marihuana ready for smuggling into the United States. Later we gave this information to a Mexican Federal Officer who searched the house of Armendariz and found a quantity of marihuana and heroin. However, Armendariz is again operating in a big way and will sell nearly anyone who cares to buy from him. We have been receiving absolutely no cooperation from local Mexican

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officials, and it has only been recently that several Federal Mexican officers have been fairly active. Their success, however, has been very limited and the flow of opium, heroin, and marihuana, continues into this country from Mexico.

6. It is my opinion, from experience obtained along the Mexican border, that it is absolutely impossible for a handful of American officials to successfully combat these smuggling rings. We seldom apprehend the principal in the case, since he is too clever to make the smuggling venture himself and will only send some small runner who will take a chance for a few dollars. The supply for these smuggled drugs must be dried up at the source, and that is in Mexico. Along that line, I am also of the firm opinion that the Mexican officials should concentrate on the destruction of the opium fields rather than make disorganized efforts to apprehend a few dealers operating along the border. That effort places them in the same position in which we are; that is, they are not getting at the source which is the growers and harvesters of the opium poppy.

7. Two changes in present narcotic laws in Mexico would also add materially to their enforcement. If, in addition to a penal sentence upon conviction, a fine would be assessed (part of which would be used to pay moieties to Mexican Enforcement officers) perhaps there would be more inclination to enforce the law rather than to accept bribes to ignore it. Second, if that part of the present law which makes the purchaser equally guilty as the seller were eliminated, informers could be used in the same manner as United States Narcotic and Customs Agents use them to make cases. American officers have frequently had informers who could buy on the Mexican side, and who were willing to do so for Mexican officials, but were not permitted to because of the fact that such purchases could not be used as evidence upon which to base prosecution.

8. The following is a list of the most outstanding narcotic traffickers on the Mexican and American sides of the border, who have come to our attention:

IN MEXICO.

Jose Armendariz, 211 Sanchez Street, Juarez, Mexico.

Jesus Armendariz, 211 Sanchez Street, Juarez, Mexico.

Enrique Trevino, San Bernardo and Gonzales Streets, and DeLuxe Bar, Nuevo Laredo, Mexico.

Yee Yuen Pan, Juarez, Mexico. (International List #358)

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Enrique Wong Lee, Republic Cafe, 16th Sept. Avenue,
Juarez, Mexico (International List #172)

Ken Wing Yip, Canton Cafe, 16th Sept. Avenue, Juarez, Mex.,
(International List #157)

Mar Jawk, Avenue Cafe, Lerdo and 16th Sept. Ave., Juarez,
Mexico.

Francisco Chan, Chihuahua, Mexico

Juan Sun Gar, Chihuahua, Mexico

Enrique Ley, Los Mochis, Mexico

Ignacia Gonzales (alias La Nacha), Juarez, Mexico

In The United States

Arthur G. Zweier- 811 East Yandell Blvd., El Paso, Texas

Pedro Rodriguez- 2105 W. Salinas St., San Antonio, Texas

Venturo Rodriguez-2105 W. Salinas St., San Antonio, Texas

Robert D. Linville- 342 $\frac{1}{2}$ E. Madison St., Phoenix, Arizona
(International List #190)

Albert Forrest Proctor alias Jack Strickland, Phoenix, Ariz.
(International List #271)

Wong Fook Lun- 317 S. Stanton St., El Paso, Texas
(National List #426)

Ng Pang- San Antonio, Texas (presently in jail)
(International List #250)

Lai L.- 1010 E. San Antonio St., El Paso, Texas.
(National List #225)

Sheets have been furnished for the National and International Lists, except for the following:

Jose Armendariz- being submitted
Jesus Armendariz-being submitted
Arthur G. Zweier-being submitted
Pedro Rodriguez- being submitted
Venturo Rodriguez- being submitted
Mar Jawk- being submitted
Ignacia Gonzales-being submitted

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Francisco Chan - nothing available except known to officers by name.
Juan Sun Gar - nothing available except known to officers by name.
Enrique Ley - nothing available except known to officers by name.

Respectfully,

Terry A. Talent
TERRY A. TALENT,
District Supervisor

CC: Dist. #2

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cc-Mr. Bulkley